**Report to the**

**Senate Appropriations Committee on Health and Human Services**

**House of Representatives Appropriations Subcommittee on Health and Human Services**

**and**

**Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services**

# Monthly Report on Community Support Services

**February 2008**

**Session Law 2007-323**

**House Bill 1473**

**Section 10.49.(ee)**

**March 31, 2008**

**North Carolina Department of Health and Human Services**

# Executive Summary

Legislation in 2007 requires the Department of Health and Human Services to report monthly on the use and cost of Community Support services for persons with mental health, developmental, and substance abuse disabilities. This February 2008 report includes data on the past 18 months of services. The following highlights provide a summary of that information.

***Highlights***

- In December 2007, over 24,000 children and almost 13,500 adults received Medicaid-funded Community Support services and almost 350 children and adolescents and over 2,400 adults received State and block grant funded Community Support services through the Division of Mental Health, Developmental Disabilities and Substance Abuse Services Integrated Payment and Reporting System (IPRS). This number of persons served is a reduction from previous months.
- About 626,000 hours of Medicaid-funded Community Support services, at a cost of almost $32.1 million, were provided to children and adolescents in December 2007. State-funded Community Support services through IPRS for children and adolescents totaled about 4,000 hours and cost under $204,000.
- Medicaid-funded Community Support services for adults totaled over 299,000 hours in December 2007, at a cost of over $15.3 million. About 9,300 hours of State-funded services for adults were provided that month, at a cost of almost $476,000.
- In December 2007, the use of Medicaid-funded Community Support services averaged 26 hours per month for 9 months for children and adolescents and 22 hours per month for 10 months for adults. State-funded services were provided for about half that long, on average, and at less than half that intensity.
- As of February 29, 2008, 1,466 provider sites were actively enrolled with Medicaid to provide Community Support services and the enrollment of 302 providers had been terminated.
- Over 1,000 provider sites have been referred to the Division of Medical Assistance for further investigation. Of those, 22 have been referred to the Attorney General's Medicaid Investigation Unit.
- The greatest numbers of persons receiving Medicaid and State-funded enhanced services in December 2007 were found in psychosocial rehabilitation (slightly over 2,000) and assertive community treatment teams (slightly under 1,800).
- The highest *total hours* of services in December 2007– after Community Support – were for psychosocial rehabilitation and child day treatment. *Average hours per person* for these Medicaid-funded services during December remained over twice the average hours for Community Support.
- The most expensive services after Community Support in December 2007 were child day treatment at over $1.5 million and assertive community treatment teams, at over $2.6 million (Medicaid and State funds combined).

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## Legislative Background

Session Law 2007-323, House Bill 1473, Section 10.49.(ee) requires the Department of Health and Human Services to "[evaluate] the use and cost of Community Support services to identify existing and potential areas of over utilization and over expenditure." Section 10.49(ee)(10) further stipulates that the Department will:

> *"Beginning October 1, 2007, and monthly thereafter, report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include the following:*
>
> *a. The number of clients of Community Support services by month, segregated by adult and child;*
> *b. The number of units of Community Support services billed and paid by month, segregated by adult and child;*
> *c. The amount paid for Community Support by month, segregated by adult and child;*
> *d. Of the numbers provided in sub-subdivision b. of this subdivision, identify those units provided by a qualified professional and those provided by a paraprofessional;*
> *e. The length of stay in Community Support, segregated by adult and child;*
> *f. The number of clinical post payment reviews conducted by LMEs and a summary of those findings;*
> *g. The total number of Community Support providers and the number of newly enrolled, re-enrolled, or terminated providers, and if available, reasons for termination;*
> *h. The number of Community Support providers that have been referred to DMA's Program Integrity Section, the Division's "Rapid Action response" committee; or the Attorney General's Office;*
> *i. The utilization of other, newly enhanced mental health services, including the number of clients served by month, the number of hours billed and paid by month, and the amount expended by month."*

**About the Data:** The following pages include historic data for 18 months, in order to capture trends in the use of Community Support services. The data span Medicaid-funded and State and block grant funded services through IPRS that were provided between September 1, 2006 and February 29, 2008 based on service claims paid through February 29, 2008. The data on the following pages – with the exception of Figure 1.9 and 1.10 – are based on the *date of service*, rather than the *date of payment*, as this gives a more accurate description of the actual trends in use of services. (See page 8 for more information.) Caution is necessary in interpreting data for the most recent months, due to delays in providers' submission of service claims.

**The possibility of incomplete data for the most recent months is represented by dotted lines (- - - -) in the graphs.**

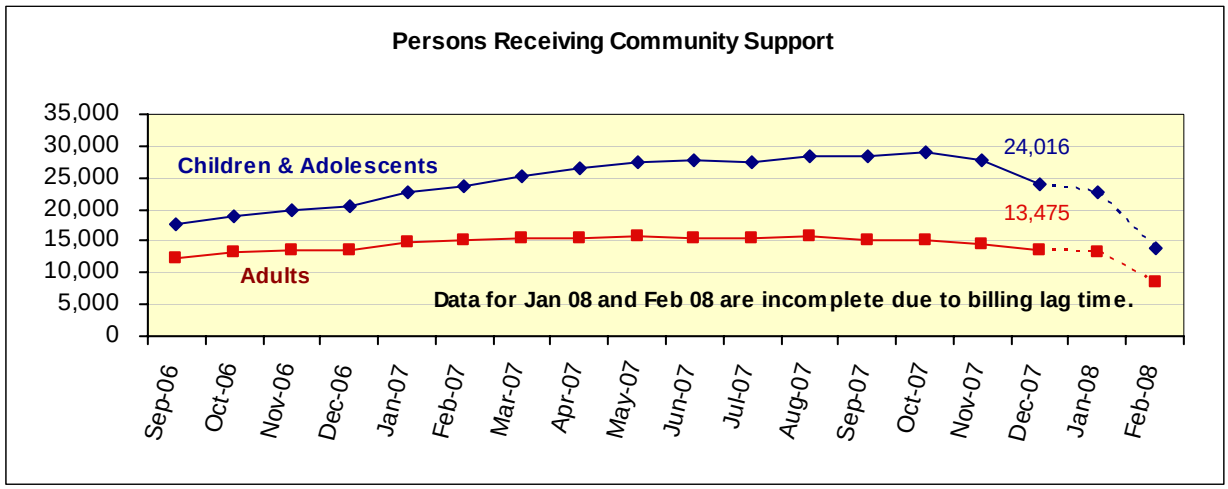
**Medicaid funding defines children as ages 0-20; State funding defines children as ages 0- 17.**

# Use of Community Support Services

## *Number of Consumers*

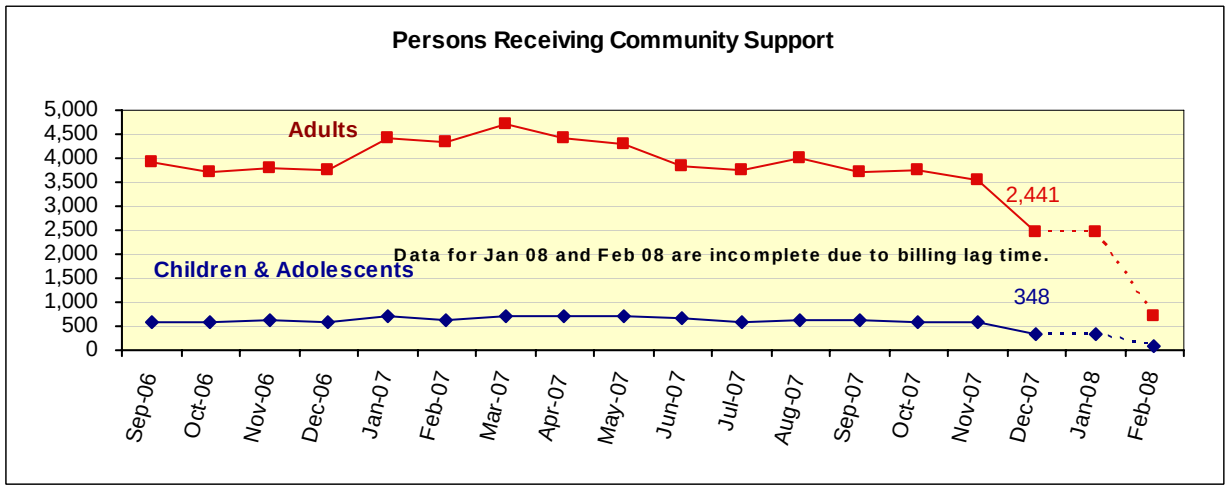
As indicated by Figure 1.1 below, the number of individuals receiving Medicaid-funded Community Support services was just over 24,000 children and adolescents, and almost 13,500 adults in December 2007.

**Figure 1.1**
**Medicaid-Funded Services**




As indicated by Figure 1.2 below, more adults received State-funded Community Support services than children and adolescents. Since November 2007 the number of adults served has decreased by 32%, while the number of children and adolescents showed a 39% decrease.

**Figure 1.2**
**State-Funded Services through IPRS**



## *Volume of Services*

Since last month's report, the units of service continue to decrease for Medicaid-funded Community Support provided, as shown in Figure 1.3 below. Children and adolescents received slightly under 626,000 hours of services (2.5 million units), and adults received slightly over 299,000 hours (1.2 million units) in December 2007.

**Figure 1.3**
**Medicaid-Funded Services**

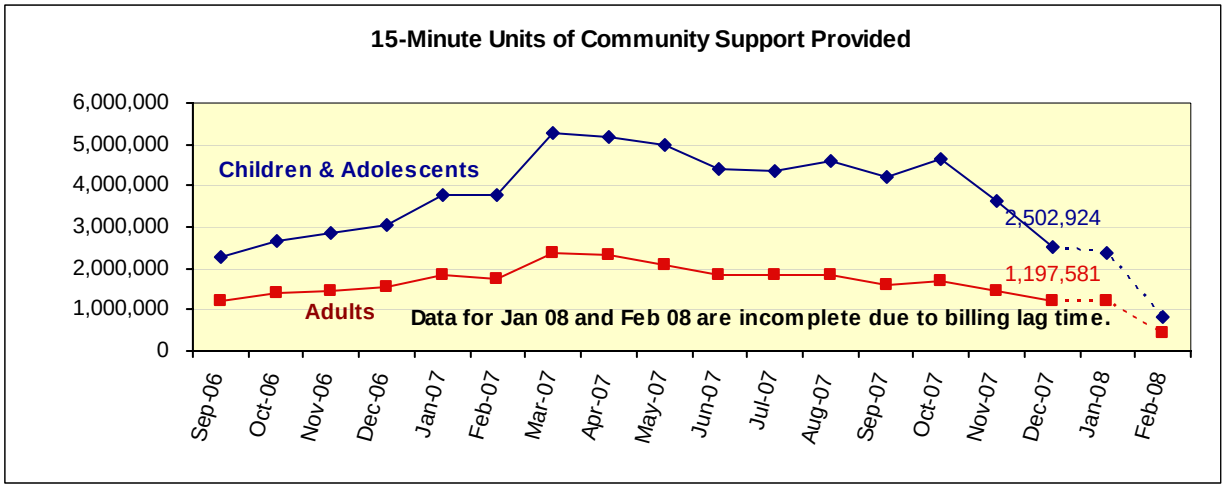
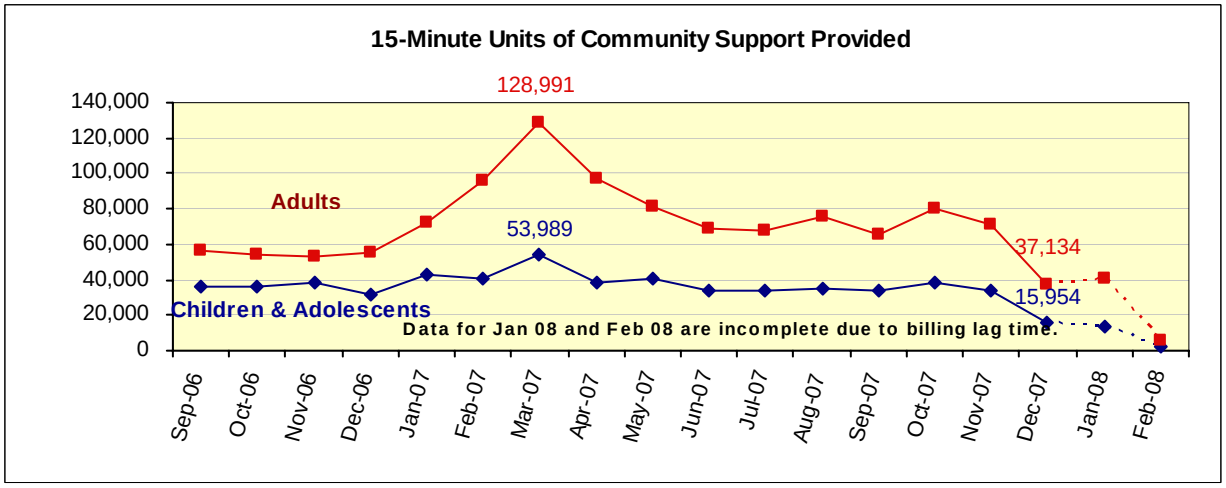



Figure 1.4 below shows significant decreases in State-funded services from November 2007 to December 2007 for both adults and children and adolescents. Units of service for adults had declined to less than 9,300 hours (just over 37,000 units) in December 2007. Community Support provided to children and adolescents declined to just under 4,000 hours in December 2007.

**Figure 1.4**
**State-Funded Services through IPRS**



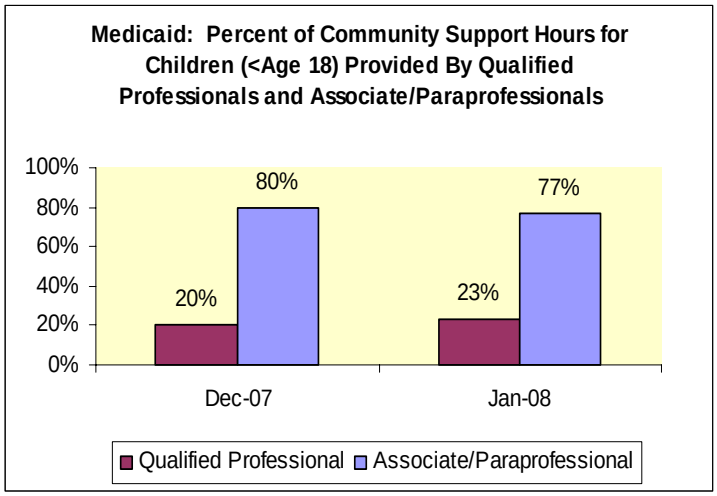
## *Services by Qualified Professionals, Associate Professionals and Paraprofessionals*

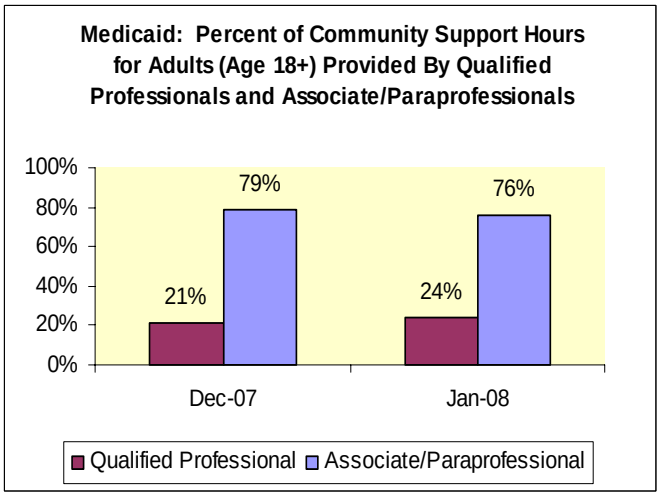
Within each provider agency endorsed to deliver Community Support services, the Qualified Professional (QP) is charged with the coordination and oversight of initial and ongoing assessment activities, ensuring linkages to the most clinically appropriate services, and with the facilitation of the Person Centered Planning process. In order to provide case management support the Associate Professional (AP) and the Paraprofessional (PP), are responsible for assistance with therapeutic interventions and skill building under the supervision of the Qualified Professional.

To ensure adequate involvement and oversight by a Qualified Professional, clinical policy requires that a minimum of 15% of Community Support services per recipient be provided by the Qualified Professional. Each endorsed provider site is also expected to bill a minimum of 25% to Community Support services by the Qualified Professional. In order to monitor activity of the Qualified Professional and Associate Professional and Paraprofessional requirement, a breakdown of units provided by each level of professional was added to the billing requirements in December 2007. Units are billed in 15 minute increments, with the required modifier designating the level of the staff providing the service.[1]

In December 2007 and January 2008 (Figure 1.5 below), over 20% of Medicaid-funded Community Support (CS) hours billed for children and adults were provided by a QP, which exceeded the minimum requirement. During both months between 76-80% of Community Support hours were provided by an AP or PP, which was within an acceptable limit.

**Figure 1.5**
**Medicaid-Funded Services**

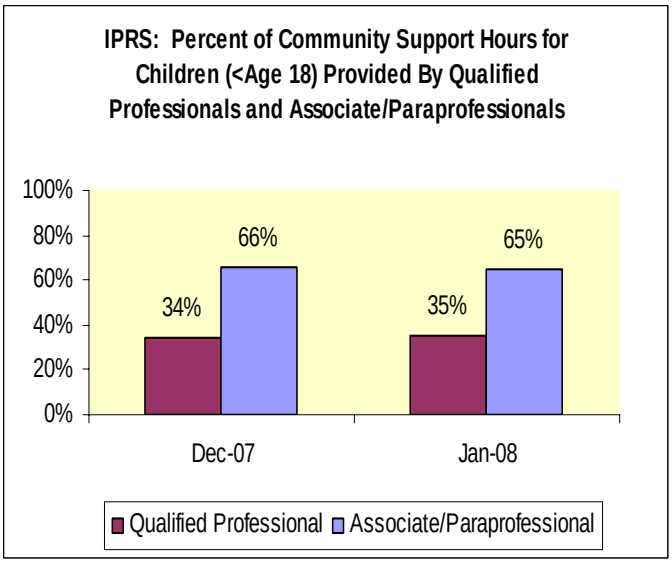


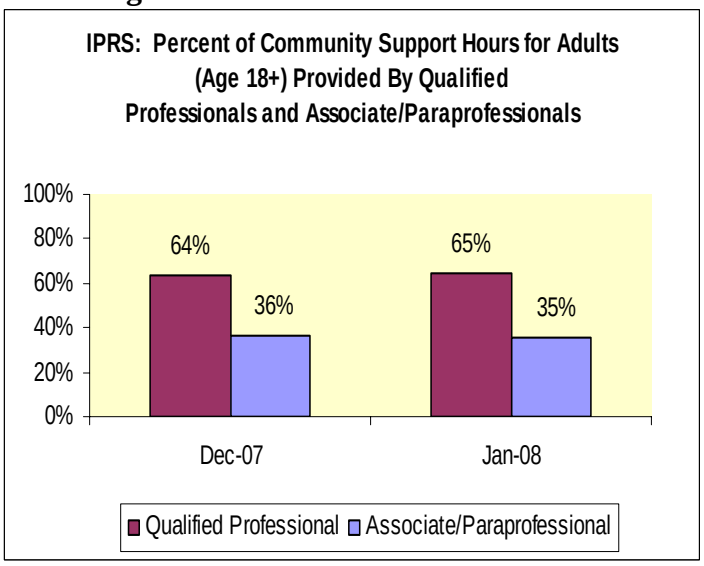




[1] Clinical Coverage Policy No.:8A. Division of Medical Assistance: Enhanced Mental Health and Substance Abuse Services. Effective March 1, 2008. pp. 26-38.

In December 2007 and January 2008 (Figure 1.6 below), over 34% of State-funded CS hours billed for children were provided by a QP, and over 65% was provided by an AP or PP. In contrast, over 64% of State-funded CS hours billed for adults were provided by a QP, which exceeds the minimum requirement. During both months over 35% of CS hours for children and adults were provided by an AP or PP, also exceeding the minimum requirement.

**Figure 1.6**
**State-Funded Services through IPRS**




## *Cost of Services*

In order to present the most accurate picture of the cost of Community Support services, two methods of calculating expenditures are needed.

Patterns in service costs are calculated based on the *date of service.* These data (see Figures 1.7 and 1.8) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the most recent months (January 2008-February 2008) require cautious interpretation. Due to the time needed for claims submission and processing, expenditures shown for these most recent months are likely to be incomplete.[2]

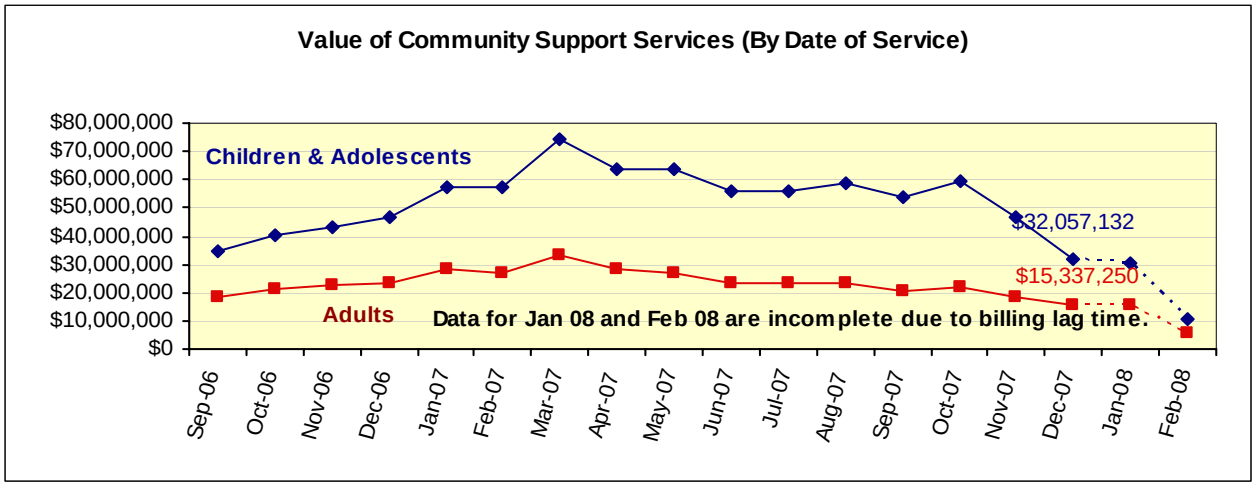
Patterns in service payments are calculated using the *date of payment* of the service claim.[3] This information (see Figures 1.9 and 1.10) provides a good representation of trends in *actual funds expended* from month to month, including the most recent months. However, information based on date of payment is less helpful for evaluating or predicting trends in use of Community Support services, due to variability in providers' claims submission practices and the number of check-write cycles that occur each month.

[2] Each monthly report includes updated expenditures for previous months to reflect additional claims as they are paid.

[3] Calculations of service value based on the date of payment include payment adjustments. Calculations based on the date of service do not.

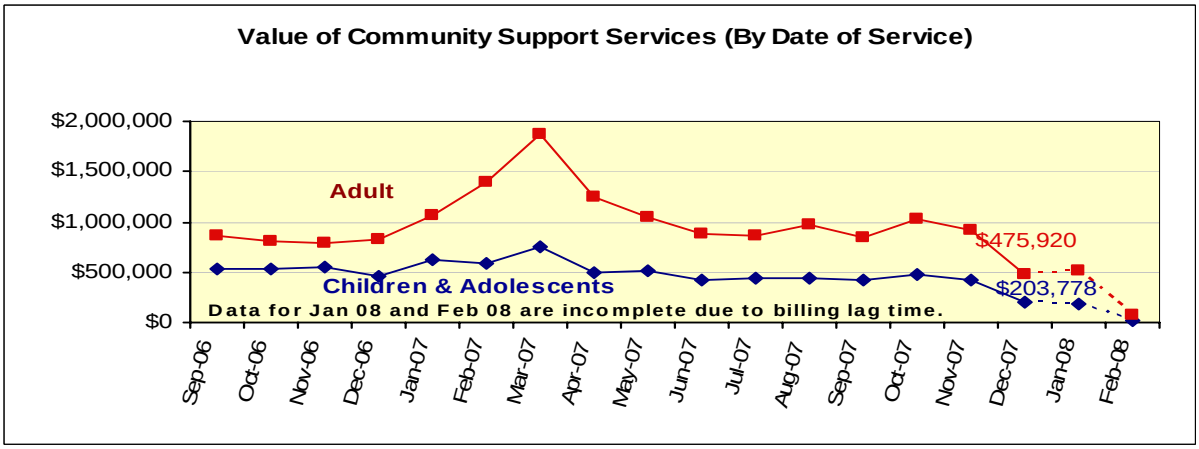
Figure 1.7 below displays the monthly Medicaid cost of Community Support services. In the month of December 2007, the cost of services provided was approximately $32 million for children and adolescents and over $15.3 million for adults. The children and adolescent expenditure data show a 31% decrease from November 2007 to December 2007, while the adult expenditure data show an 18% decline during the same period.

**Figure 1.7**
**Medicaid-Funded Services**




As shown in Figure 1.8 below, the monthly State-funded cost of Community Support services for December 2007 has decreased to less than $476,000 for adults. Child and adolescent services costs have decreased to under $204,000.

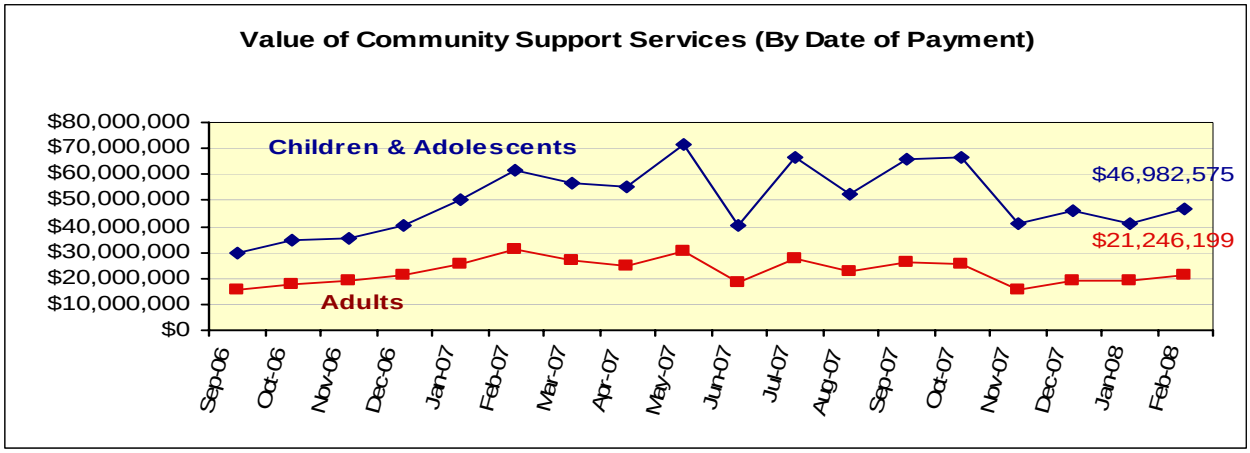
**Figure 1.8**
**State-Funded Services through IPRS [4]**




[4] Data includes the estimated cost of services provided in LMEs that receive Single Stream funding. The estimated cost of service is calculated based on the allowed rate of service multiplied by units of service reported. This estimate could slightly overstate the actual costs presented because of possible duplicate claim submissions.

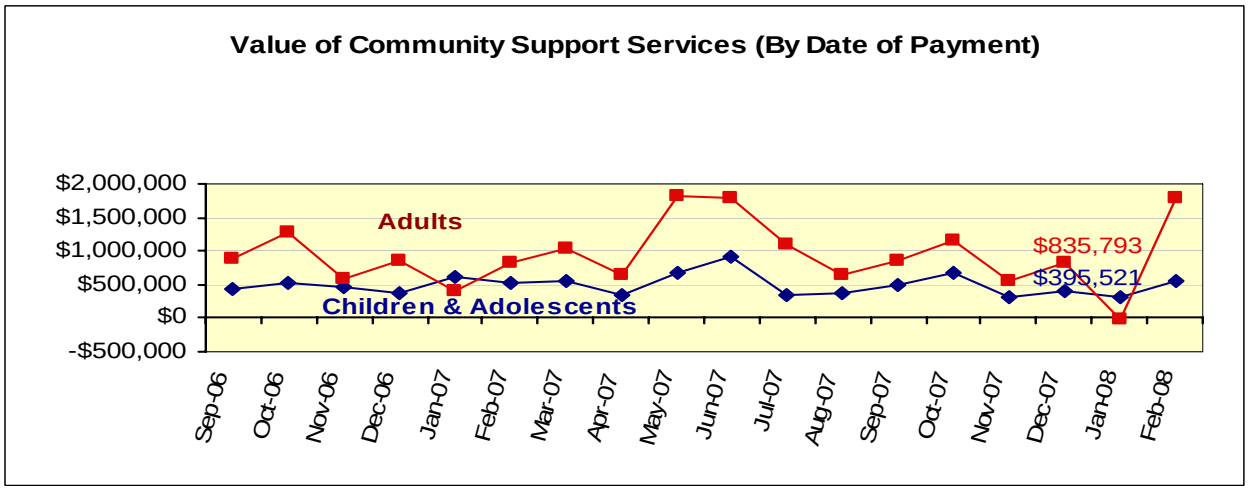
As shown in Figure 1.9 below, monthly Medicaid payments to providers for Community Support in February 2008 totaled almost $47 million for children and adolescents and slightly over $21 million for adults.

**Figure 1.9**
**Medicaid-Funded Services**




Payments of state funds made through the Integrated Payment and Reporting System (Figure 1.10 below), reflect a more irregular billing pattern for Community Support children and adolescents and for adults. In February 2008 the amount of Community Support services paid for adults exceeded $1.8 million, which is a significant increase from the previous month. In subsequent reports we will attempt to understand and explain this trend by analyzing billing patterns, rate changes, system edits, and policy changes.

**Figure 1.10**
**State-Funded Services through IPRS [5]**

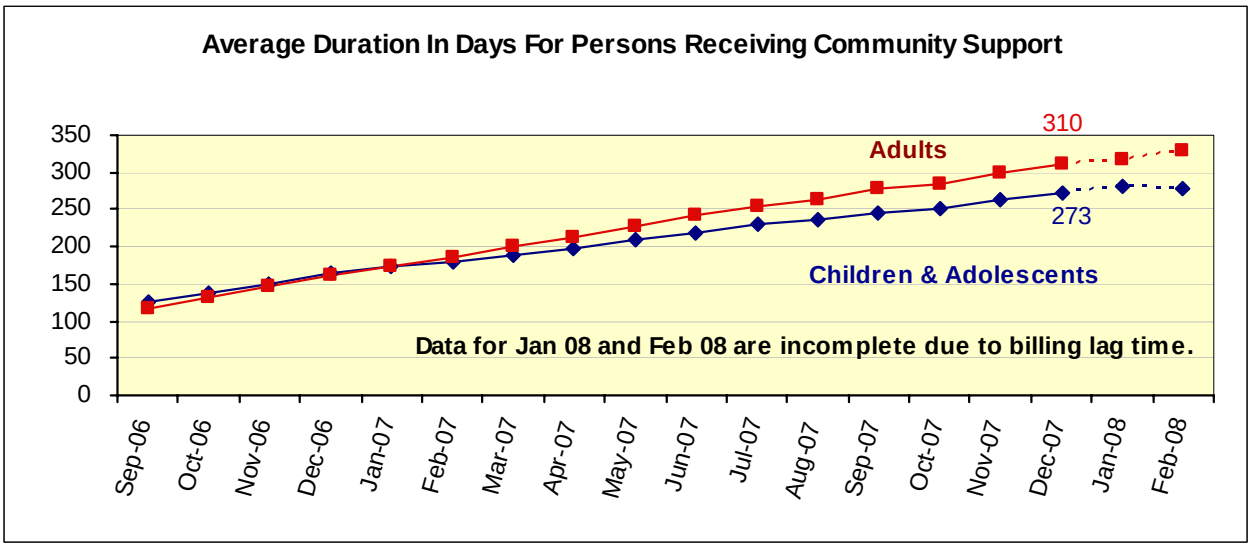



[5] Data includes the estimated cost of services provided in LMEs that receive Single Stream funding (See footnote #4 for more details). In January 2008 the amount of community support services billed reflects an adjustment that exceeded the amount of dollars paid; therefore, the scale shows a negative amount of Community Support services billed through IPRS.

## *Intensity of Services (Length of Service and Hours Per Person)*

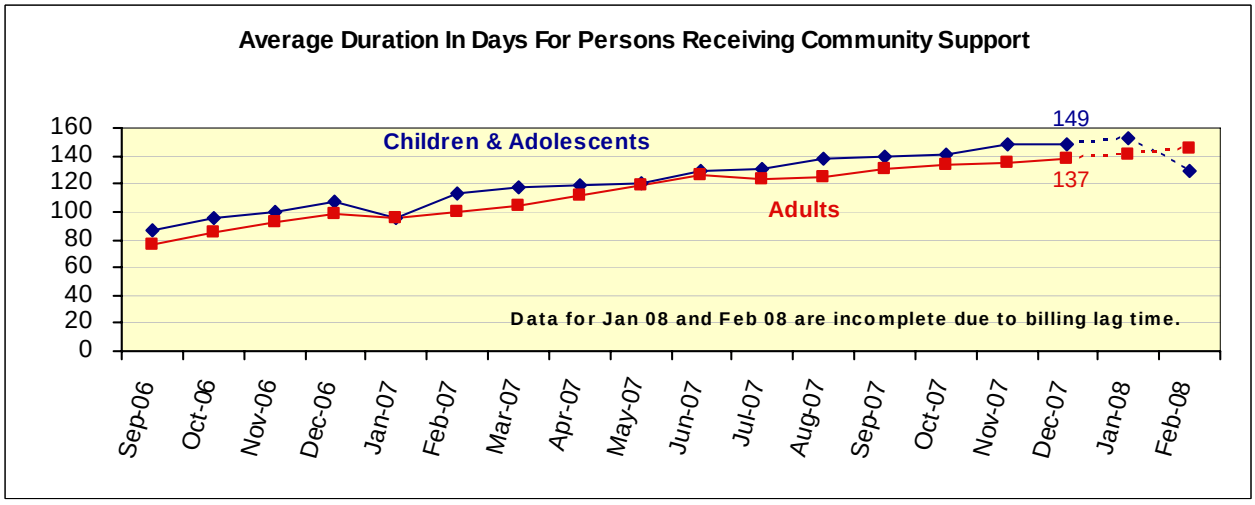
The *average length of service* or duration of services, as shown in Figure 1.11 below, shows a steady rise in how long individuals remain in Community Support services. In December 2007, the average length of service was about nine months (273 days) for children and adolescents and just over ten months (310 days) for adults. Preliminary data for January 2008 and February 2008 suggests that the average length of service is continuing to rise.

**Figure 1.11**
**Medicaid-Funded Services**



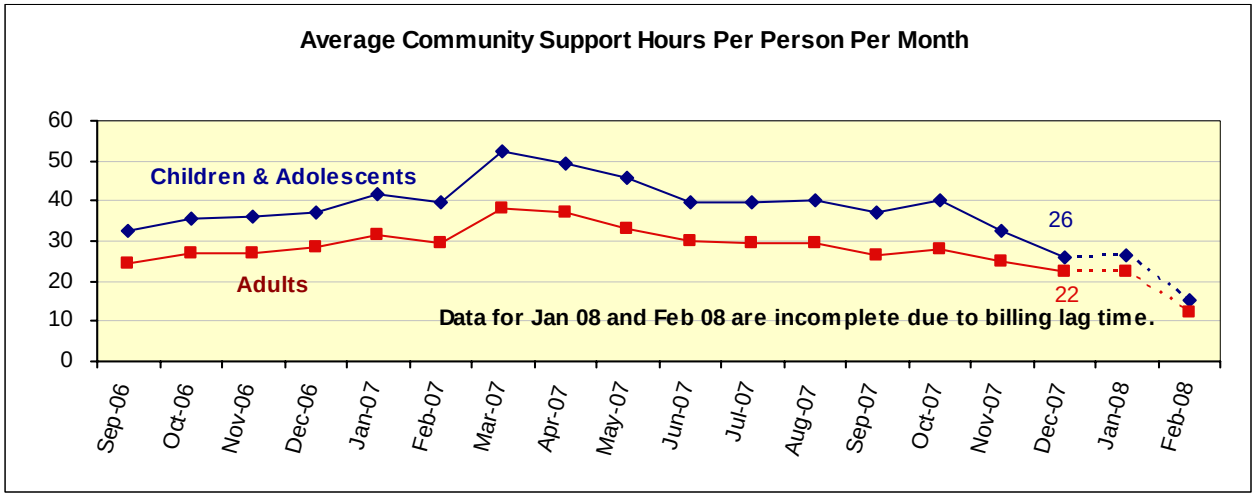

The *average length of service* for State-funded consumers, as shown in Figure 1.12 below, also shows a steady rise. In December 2007, the average length of service was about five months (149 days) for children and adolescents and over four months (137 days) for adults.

**Figure 1.12**
**State-Funded Services through IPRS**



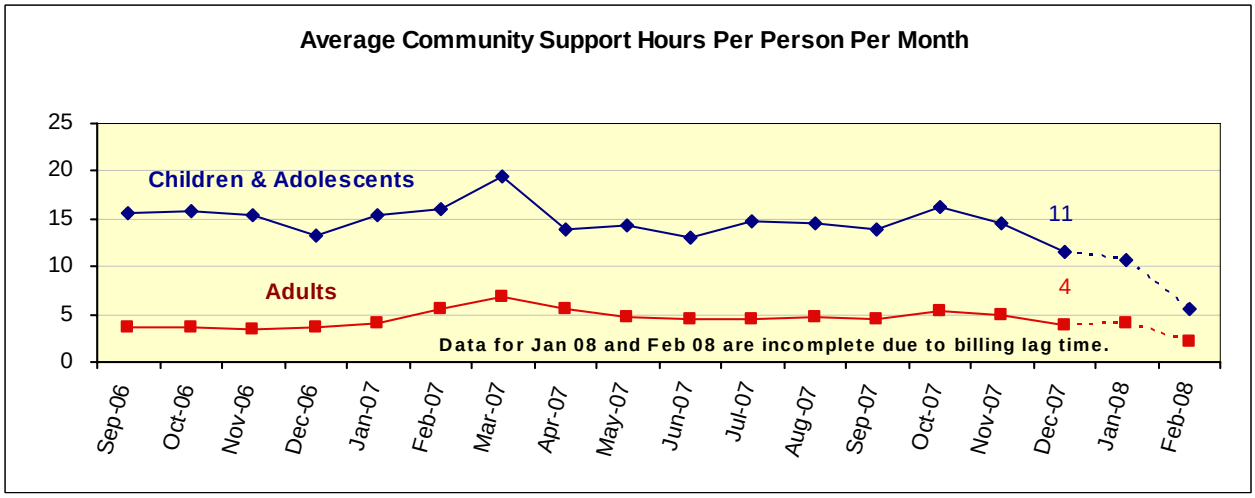
*Average hours per person per month* provide additional information for evaluating the intensity of the services provided. As indicated in Figure 1.13, the average hours per month funded by Medicaid decreased to 26 hours a month per child/adolescent and 22 hours a month per adult in December 2007.

**Figure 1.13**
**Medicaid-Funded Services**




As indicated in Figure 1.14 below, children and adolescents received an average of 11 hours per month for State-funded Community Support services and adults received an average of 4 hours a month in December 2007.

**Figure 1.14**
**State-Funded Services through IPRS**

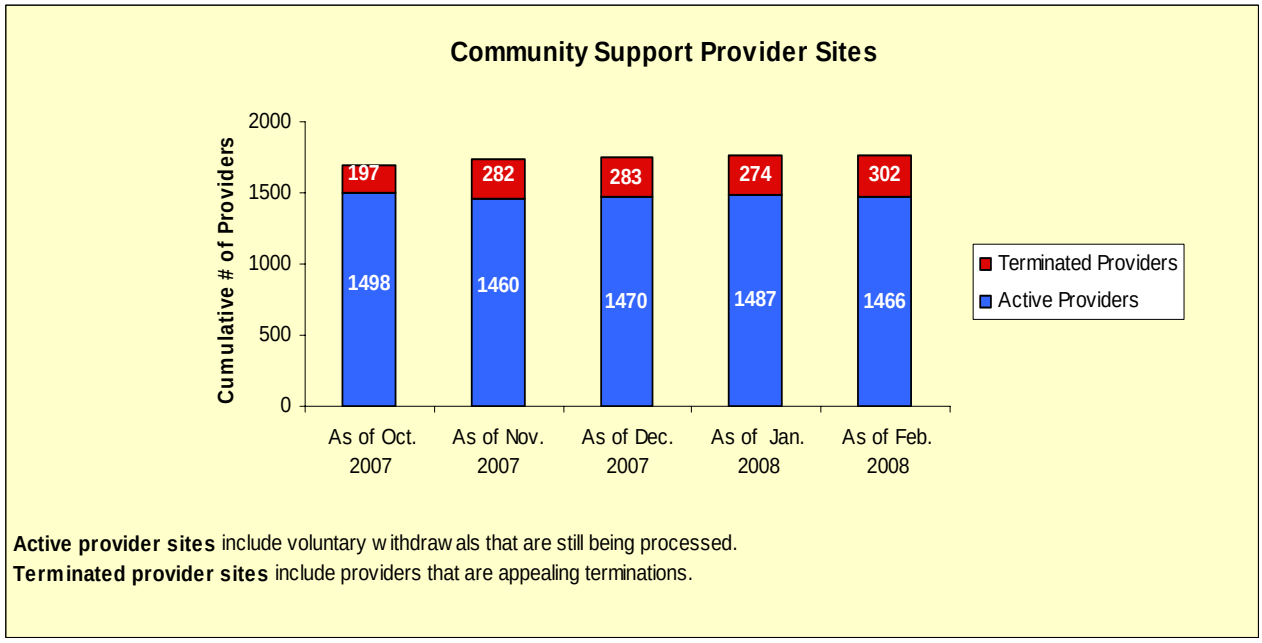


# Community Support Providers

## *Number of Enrolled Providers*

As of October 1, 2007, a total of 1,695 distinct provider sites had been enrolled to provide Community Support services before enrollment for new providers was halted in December 2007.[6] Of these, 197 sites had been terminated prior to December 2007. As of February 29, 2008 1,466 provider sites were actively enrolled to provide Community Support services, while 302 provider sites had their enrollment terminated. The North Carolina Department of Health and Human Services (DHHS) will include re-enrollment information once the suspension of new enrollments is lifted. The small increase in providers from January 2008 to February 2008 is the result of applications that were in process when the December 8, 2007 memorandum was issued halting enrollment. In addition, some terminated providers have been reinstated as a result of hearings where decisions were overturned and were moved to the "active provider" category.

**Figure 2.1**

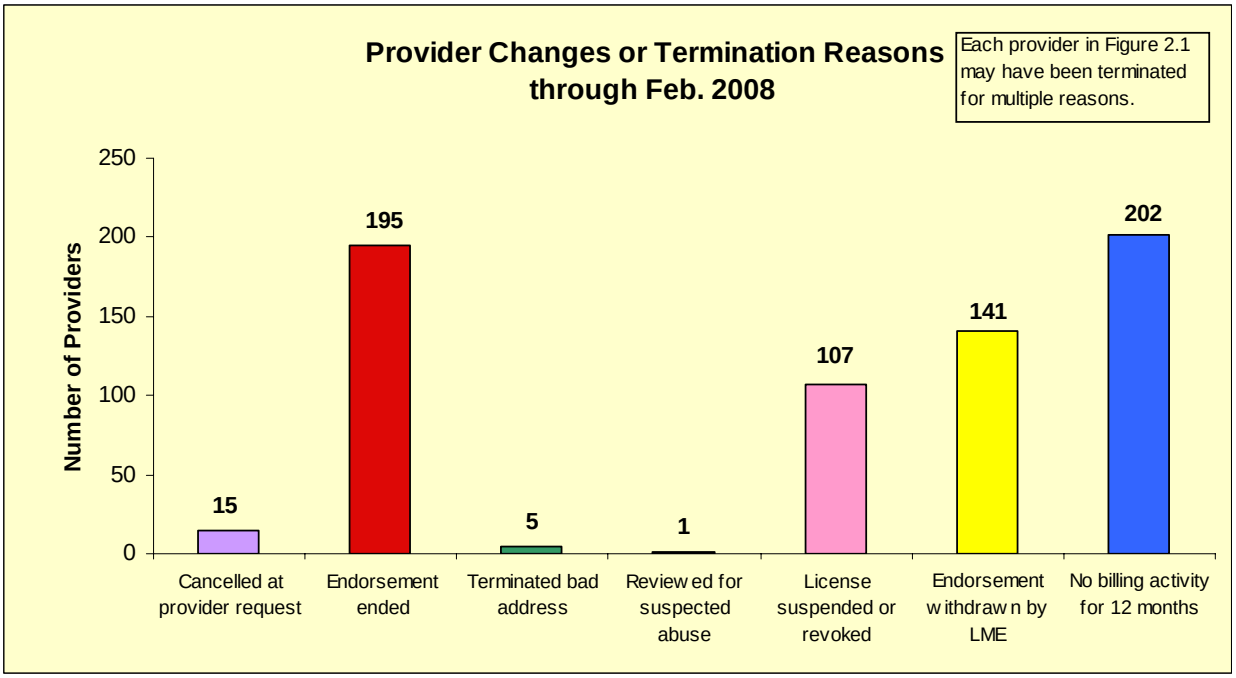



Current Provider data was created on 2/29/08

Figure 2.2 on the next page, outlines reasons for changes and terminations for the 302 providers terminated in the figure above. Provider inactivity, lapsed endorsements, and suspensions or revocations by LMEs or the licensing agency represented the most frequent reasons for termination.

[6] Providers are identified by the specific location from which services are delivered. A single business entity that has multiple enrolled sites is counted multiple times in Figure 2.1.

**Figure 2.2**




## *Clinical Post-Payment Reviews*

As reported previously, the LMEs completed the first round of post-payment reviews in September 2007. These reviews included 4,155 reviews of adults and 7,646 reviews of children and adolescents who received at least twelve hours per week of Community Support services and involved 777 provider sites. As shown in Figures 2.3 and 2.4 on the next page, only 10% of adults' services and 11% of children's services were considered medically necessary with appropriate duration and intensity. The reviews indicated that 54% of the children and adults reviewed received Community Support services that were medically necessary, but not of appropriate duration or intensity. The remaining individuals, 36% of adults and 35% of children and adolescents, received services that were determined not to be medically necessary. The LMEs are currently completing service record reviews and preparing for the next phase of the post-payment review process. Results of these reviews will be reported when completed.

**Figure 2.3**

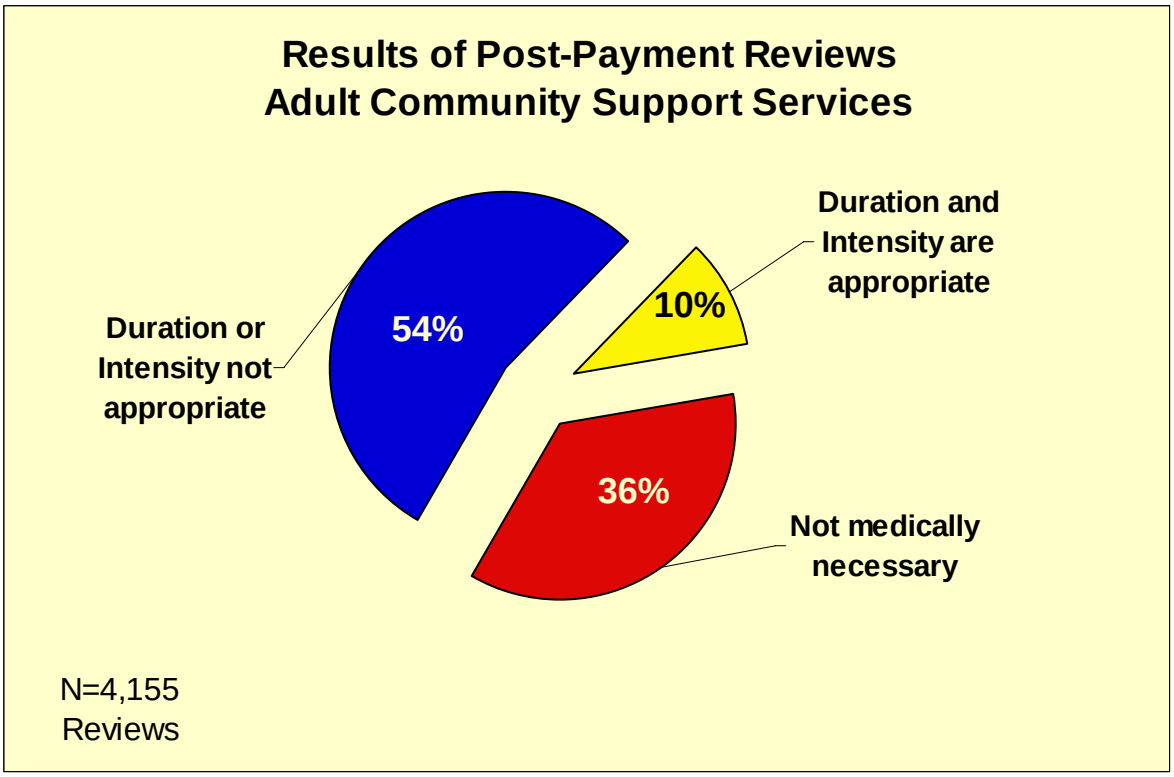
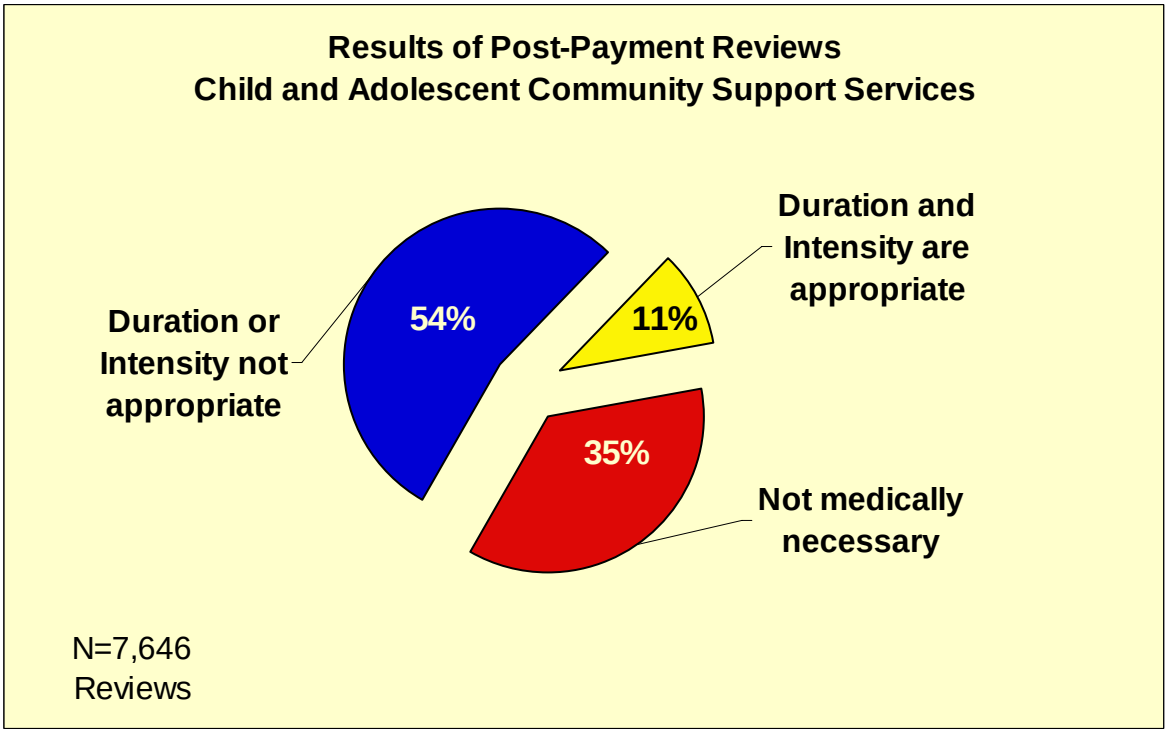



**Figure 2.4**



## *Actions Taken and Providers Referred for Further Review*

As shown in Figure 2.5 below, over 1,000 Community Support providers, have been referred to the Division of Medical Assistance (DMA) Program Integrity (PI) Section. The fluctuation in the number of monthly PI cases opened reflect multiple cyclic review processes that include, but are not limited to: (1) the clinical post payment reviews, (2) complete service record reviews, (3) complaints, (4) DMH Accountability Spring/Fall Audits, (5) DMH Accountability Investigative Findings. Due to the current volume of Community Support providers being reviewed by the Program Integrity Section, the Rapid Action Committee will not review the cases prior to further action. The Program Integrity Section has submitted 22 provider cases for referral to the Attorney General's Medicaid Investigation Unit (MIU).[7]

**Figure 2.5**

**Community Support Providers Referred for Further Action**
**As of February 29, 2008**

| | Previous Totals | January Totals | February Totals | Cumulative Totals |
|---|---|---|---|---|
| Provider cases opened by DMA Program Integrity Section | 494 | 557 | 5 | *1,056 |
| Providers Referred by DMA to Attorney General's Medicaid Investigation Unit | N/A | 21 | 1 | 22 |

*777 cases originated from the LME reviews. The balance is from other referrals to PI. The number of provider cases may include a duplicate number of providers referred to PI.

[7] Any direct referrals of community support providers to the MIU by agencies, families, or other stakeholders that do not pass through review by DMH or DMA will not be included in this report.

## *Use of Other New Enhanced Services*

The number of individuals receiving other Medicaid-funded enhanced services in December 2007 remained much lower than the almost 40,000 individuals who received Community Support during that month (refer to Figure 1.1 and Figure 1.2 on page 5.). In order to provide a more representative comparison within categories of services, this section of the report has changed. The figures below represent four categories of services which are services to Children and Adolescents, services to Adults, Substance Abuse services, and Crisis Intervention services. Each category will include three figures that show the number of persons served, the amount of dollars spent, and the average amount of service per person served. The data shown all figures in this section are based on the date of payment for Medicaid-funded and State-funded services.

## Children and Adolescents

The number of children and adolescents receiving Child and Adolescent Day Treatment (Day Tx), Intensive In-Home (IIH) Services, and Multisystemic Therapy (MST) totaled 1,158 individuals in December, 2007, with 1,053 served through Medicaid funds and 105 served through state IPRS funds. As shown in Figure 3.1 below, more persons receive Child and Adolescent Day Treatment than Intensive In-Home and Multisystemic Therapy for both Medicaid and State-funded services. Since June 2007 the number of persons receiving Medicaid and State-funded Day Treatment services has decreased while the number of persons receiving IIH has increased. The number of persons receiving Medicaid-funded MST has remained level while the number receiving State-funded MST has increased.

**Figure 3.1**
**Medicaid Services and State Funded Services through IPRS for Children and Adolescents**

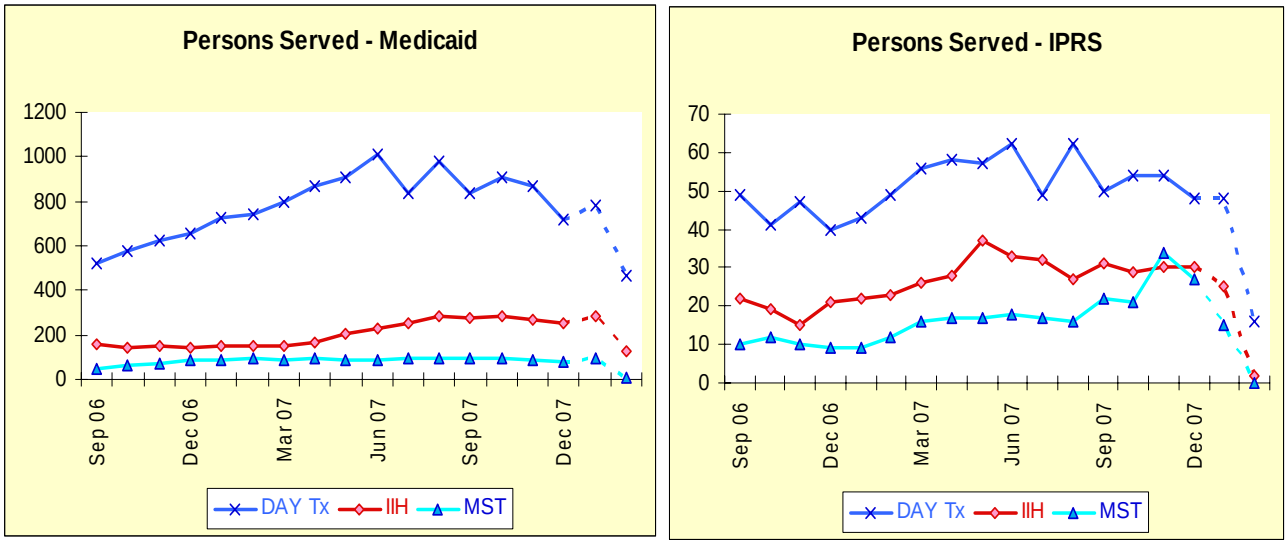
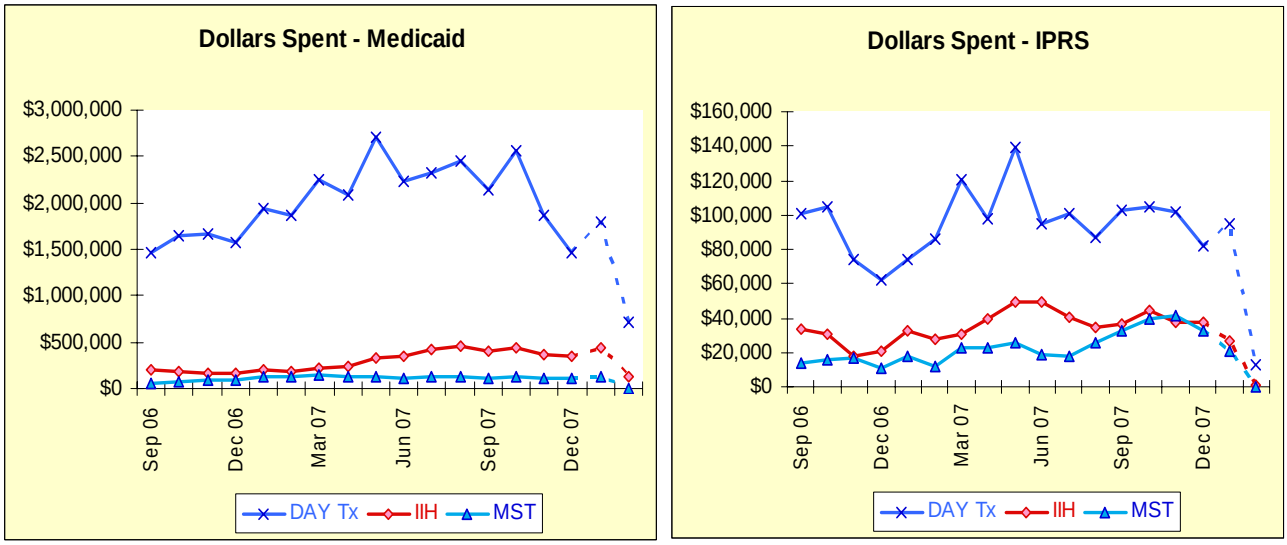


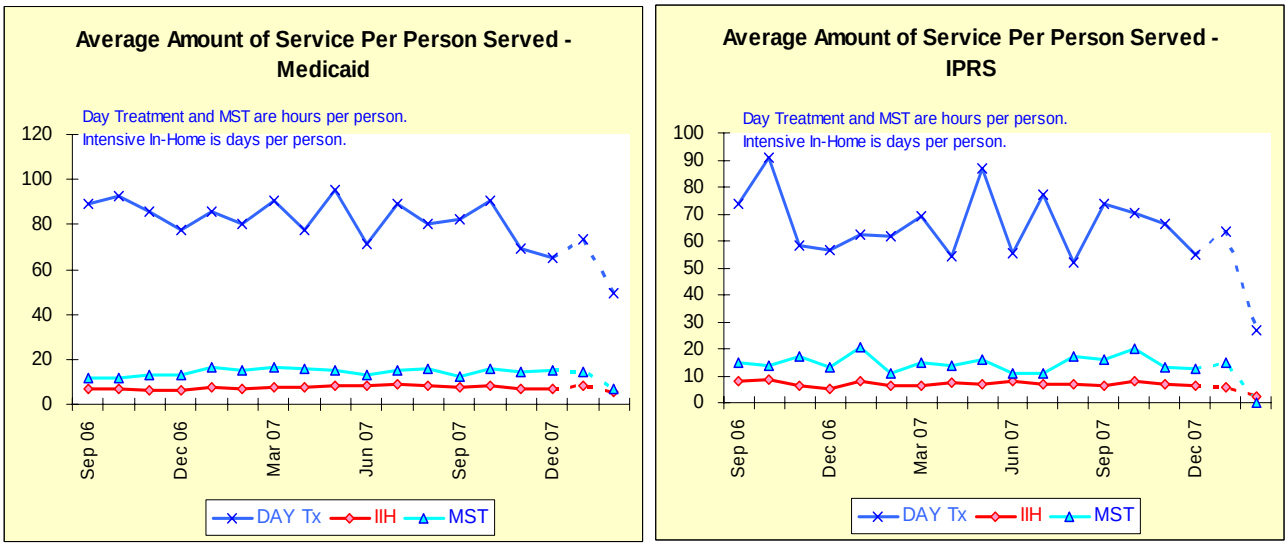
Figure 3.2 below show similar trends since June 2007 in the reduction in dollars spent on Day Tx, IIH and MST. In subsequent reports we will attempt to understand and explain this trend by analyzing billing patterns, rate changes, system edits, and policy changes.

**Figure 3.2**
**Medicaid Services and State Funded Services through IPRS for Children and Adolescents**




In Figure 3.3 below, the average amount of service per person has continued to decline from June 2007 for Day Tx, while both IIH and MST have shown little change over the past 18 months. In subsequent reports we will attempt to understand and explain this trend by analyzing billing patterns, rate changes, system edits, and policy changes.

**Figure 3.3**
**Medicaid Services and State Funded Services through IPRS for Children and Adolescents**



## Adults

The number of adults receiving Community Support Team (CST), Assertive Community Treatment Team (ACTT), and Psychosocial Rehabilitation (PSR) services totaled 4,838 individuals in December 2007, with 4,221 served through Medicaid funds and 617 served through state IPRS funds. As shown in Figure 3.4 the number adults receiving both Medicaid-funded and State-funded Community Support Team (CST) has significantly increased over the past 18 months, while persons receiving Assertive Community Treatment Team (ACTT) has increased slightly. The number of persons receiving both Medicaid-funded and State-funded Psychosocial Rehabilitation (PSR) has decreased over this time period.

**Figure 3.4**
**Medicaid Services and State Funded Services through IPRS for Adults**

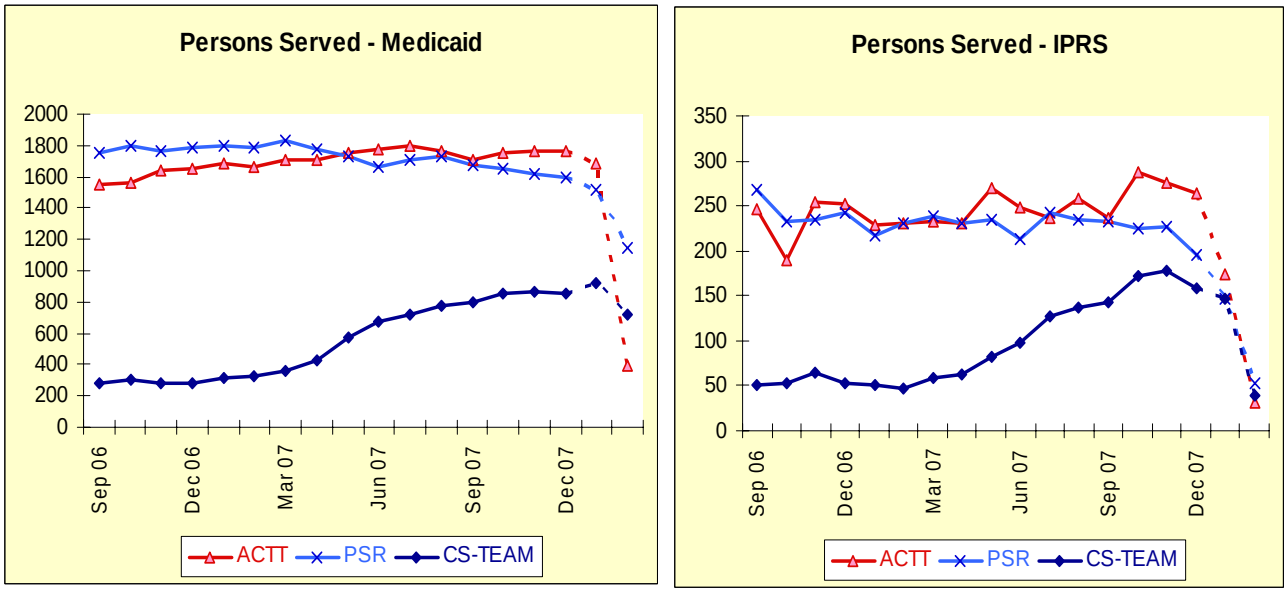
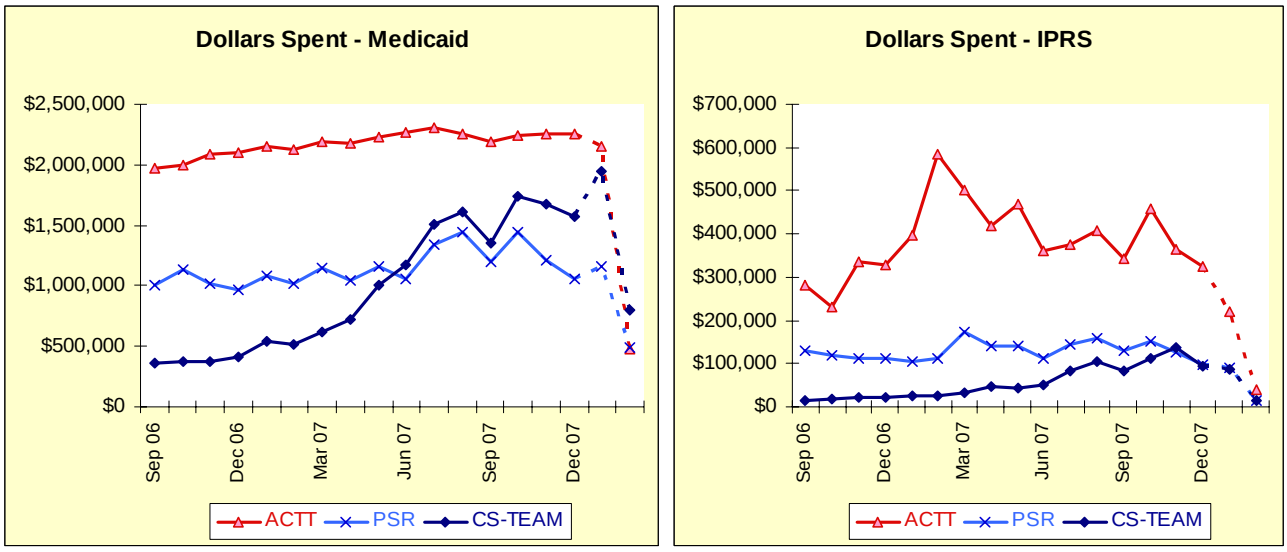


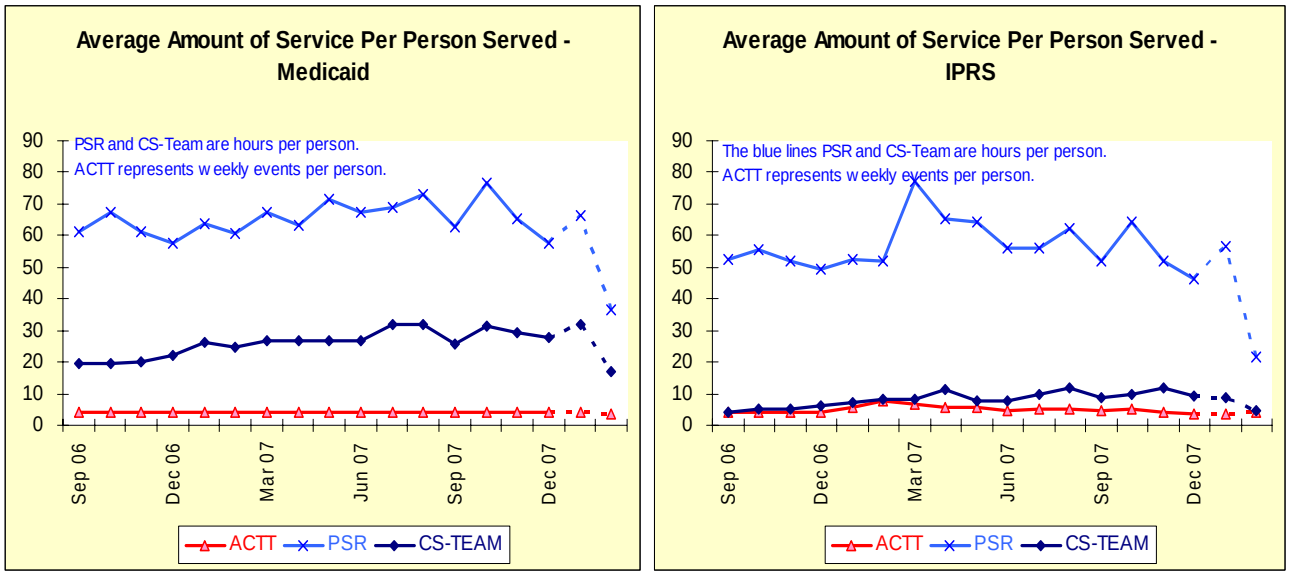

Figure 3.5 below shows similar trends over the past 18 months in the significant increase in the Medicaid dollars spent on CST, ACTT, and PSR.

**Figure 3.5**
**Medicaid Services and State Funded Services through IPRS for Adults**



In Figure 3.6 below the average amount of service per person has increased slightly over the past 18 months for both Medicaid-funded and State-funded CST, while it has remained fairly level for ACTT and PSR, even though PSR shows more fluctuation from month to month.

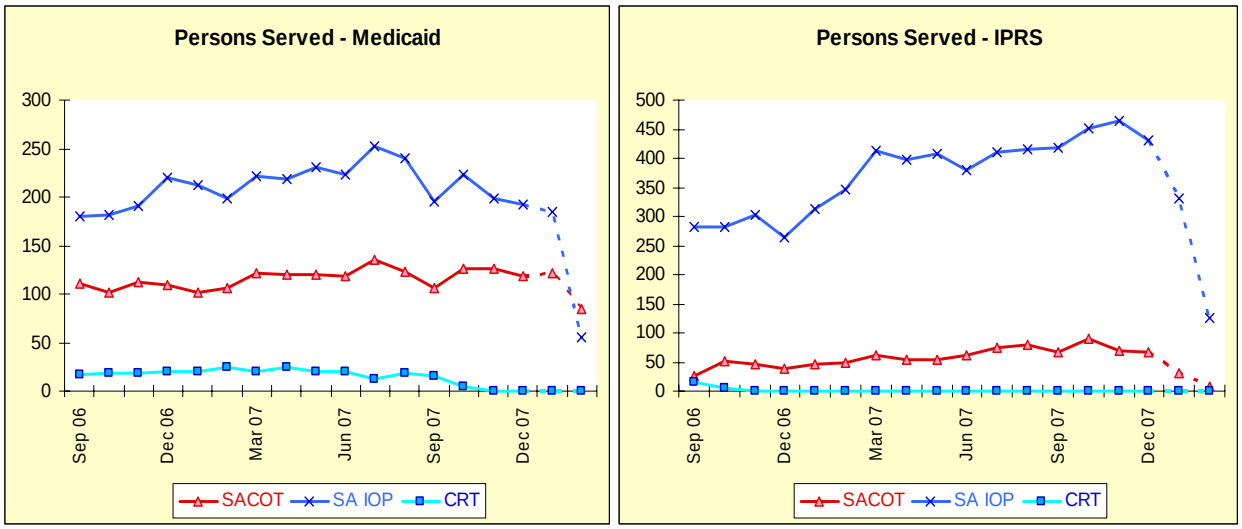
**Figure 3.6**
**Medicaid Services and State Funded Services through IPRS for Adults**



## Substance Abuse Services

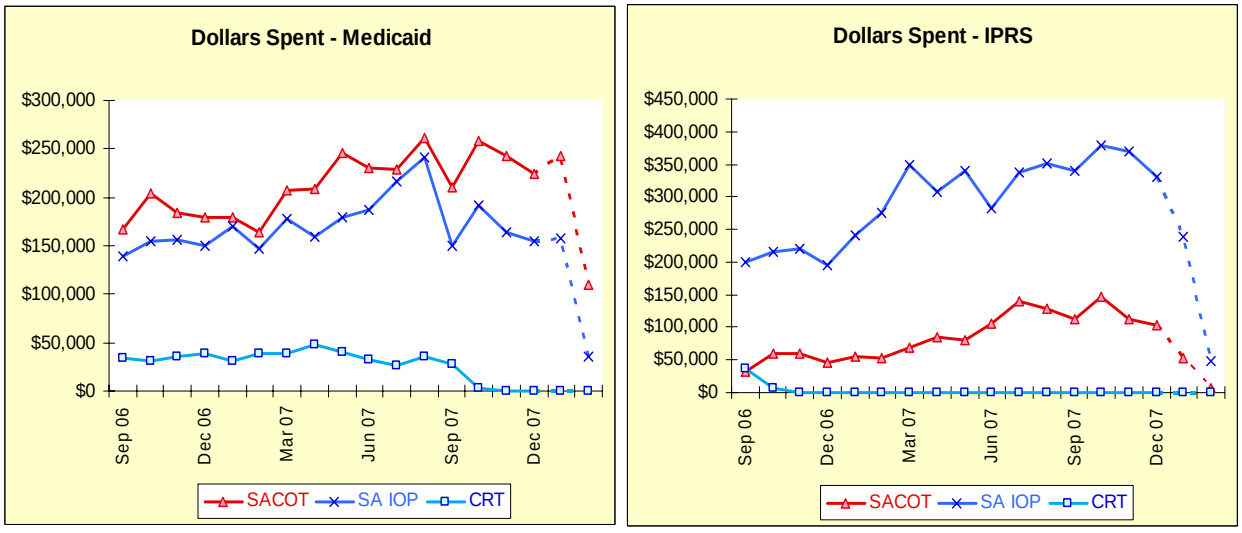
The number of individuals receiving Substance Abuse Intensive Outpatient Program (SAIOP) services, Substance Abuse Comprehensive Outpatient Treatment (SACOT) services, and Substance Abuse Medically Monitored Community Residential Treatment (CRT) totaled 809 individuals in December, 2007, with 312 served through Medicaid funds and 497 served through state IPRS funds. Overall, Medicaid-funded Substance Abuse services have remained steady over the past 18 months in all of the categories listed below, while State-funded services began to decline in December 2007. The number of persons receiving State-funded SACOT has increased over the past 18 months.

**Figure 3.7**
**Medicaid Services and State Funded Services through IPRS for Substance Abuse Clients**



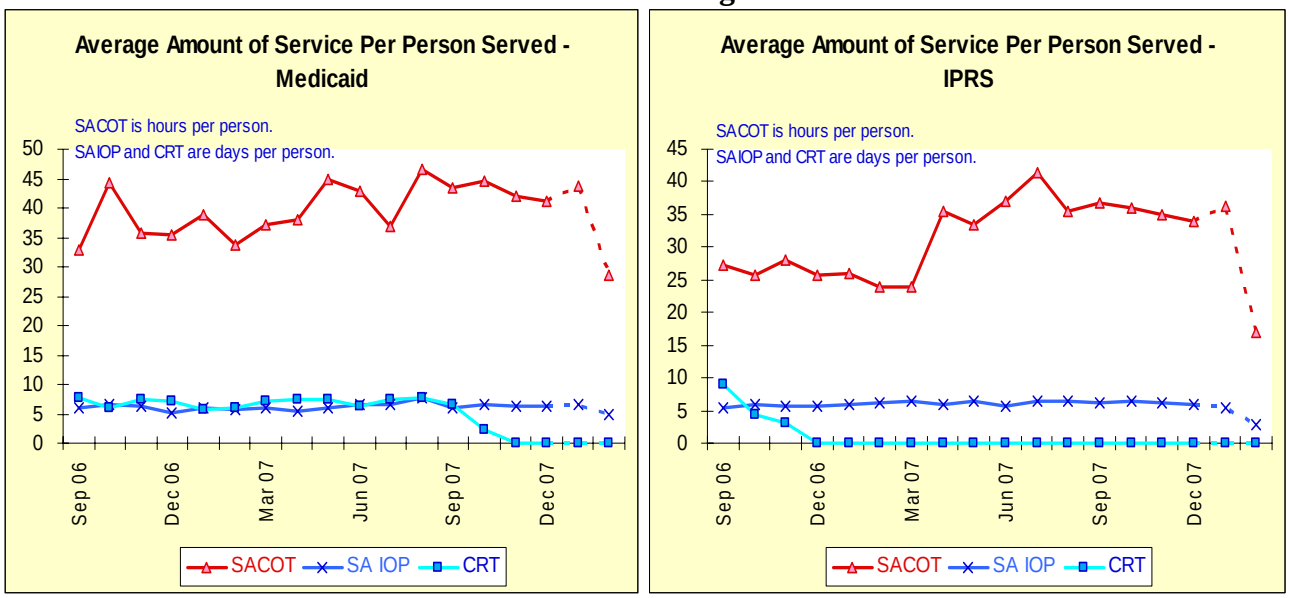

As shown in Figure 3.8 below both Medicaid and State-funded spending for Substance Abuse services show an irregular spending pattern. State-funded medically monitored Community Residential Treatment (CRT) dollars were used sparingly over the past 18 months, while Substance Abuse Intensive Outpatient Treatment (SAIOP) has increased dramatically.

**Figure 3.8**
**Medicaid Services and State Funded Services through IPRS for Substance Abuse Clients**



In Figure 3.9 below, the average amount of service per person in Substance Abuse Comprehensive Outpatient Treatment (SACOT) has increased slightly over the past 18 months. Substance Abuse Intensive Outpatient Program (SAIOP) services remained stable for Medicaid consumers. SACOT hours per person increased to 34 hours over the past 18 months, but has leveled off over the past 5 months.

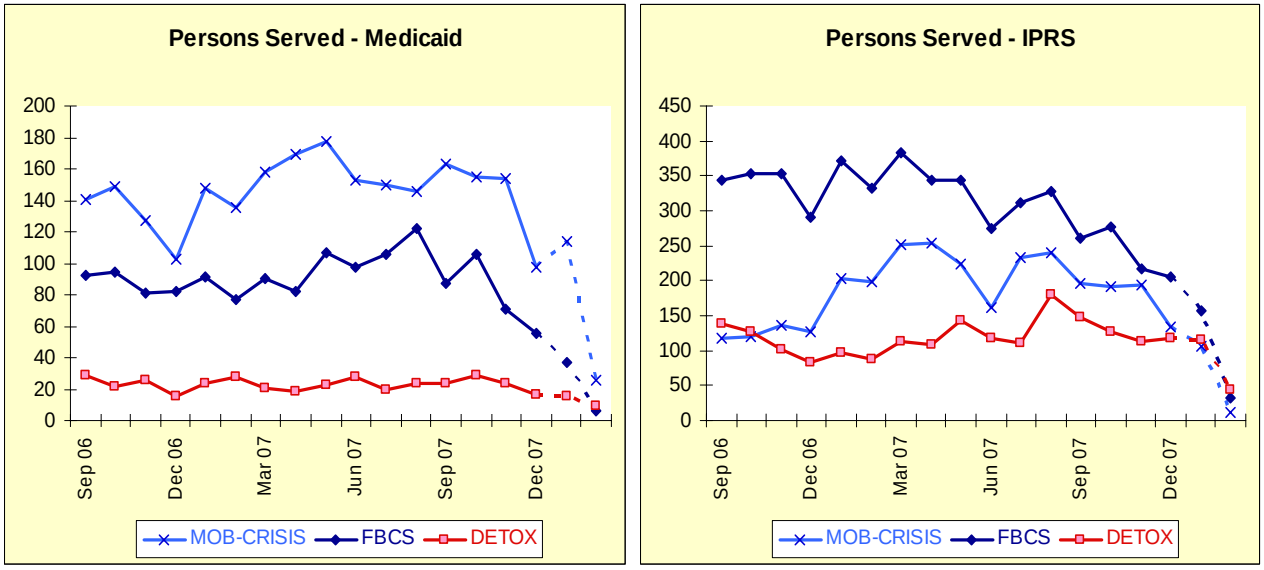
**Figure 3.9**
**Medicaid Services and State Funded Services through IPRS for Substance Abuse Clients**



## Crisis Services for All Age/Disability Populations

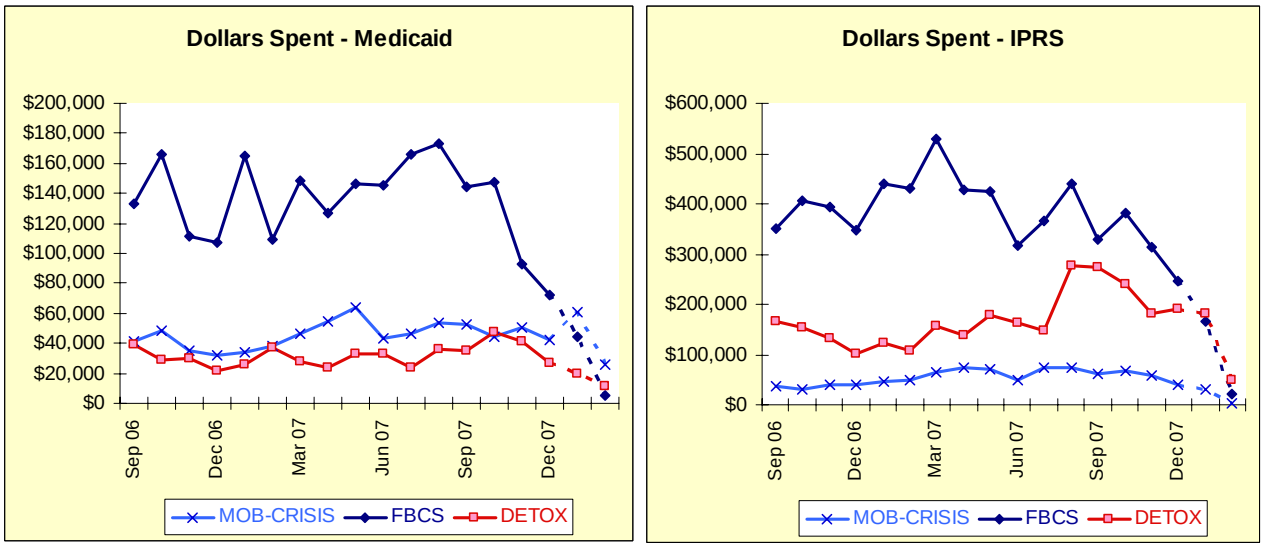
The number of individuals receiving Mobile Crisis Management (MOB-CRISIS) services, Professional Treatment Services in Facility Based Crisis Program Services (FBCS), and Non-Hospital Medical Detoxification (DETOX) totaled 625 individuals in December, 2007, with 168 served through Medicaid funds and 457 served through state IPRS funds. In Figure 3.10 below the number of persons receiving Medicaid-funded MOB-CRISIS, FBCS, and DETOX has decreased. The number of persons receiving State-funded MOB-CRISIS has increased, while FBCS and DETOX has decreased.

**Figure 3.10**
**Medicaid Services and State Funded Services through IPRS for Crisis Services**



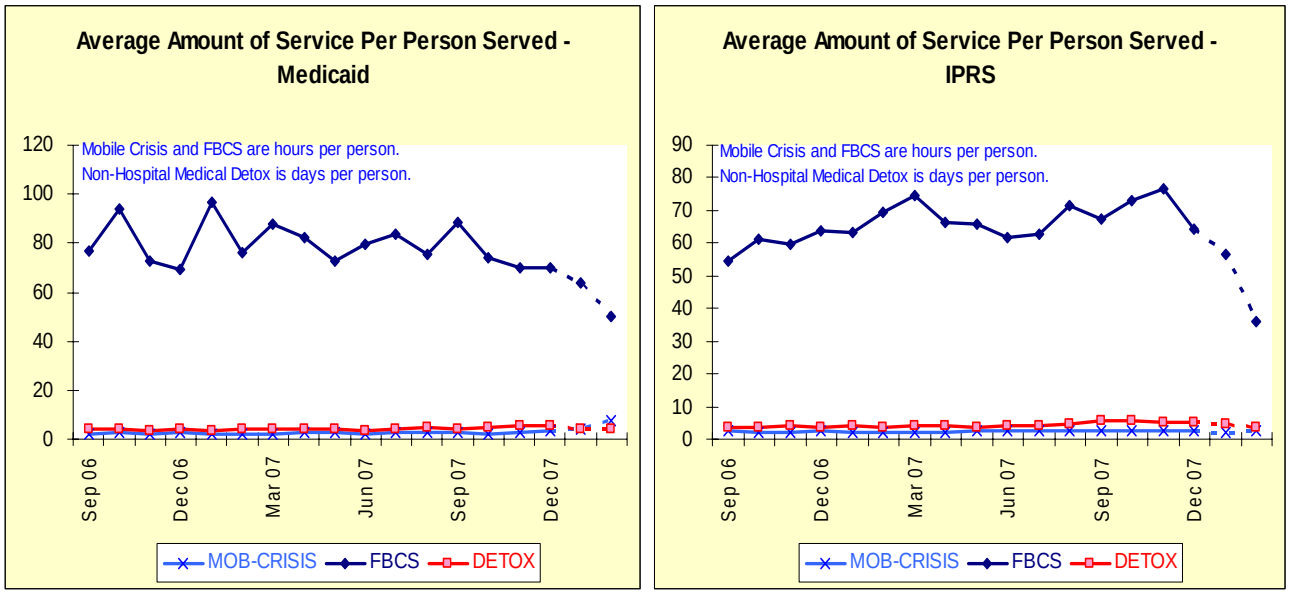

In Figure 3.11 below Medicaid and State Funds spent on FBCS and DETOX decreased, while MOB-CRISIS remained stable.

**Figure 3.11**
**Medicaid Services and State Funded Services through IPRS for Crisis Services**



In Figure 3.12 below, fluctuations in Medicaid-funded FBCS services yield no consistent pattern of hours used per person over the past 18 months, but between October 2007-December 2007 there was a decrease in the number of hours per person. State-funded FCBS has decreased over the past month.

**Figure 3.12**
**Medicaid Services and State Funded Services through IPRS for Crisis Services**




## *Conclusion*

Overall, the use of Community Support services has decreased since July 2007. The release of revised Enhanced Service definitions as of March 1, 2008 will help to strengthen the Division's efforts to monitor the use of services through the Medicaid Management Information System, Integrated Payment Reporting System, and several required state review processes.